



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

Board of Supervisors
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Second District

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Third District

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Fourth District

MICHAEL D. ANTONOVICH
Fifth District

June 29, 2010

Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

RECOMMENDATION TO EXTEND CONTRACT WITH THE OPERATOR OF THE VAN NUYS CIVIC CHILD DEVELOPMENT CENTER (THIRD DISTRICT) (3 VOTES)

SUBJECT

Delegate authority to the Chief Executive Officer (CEO) to extend the current contract with Around the Korner Center for School Age Enrichment (Around the Korner) for an additional 12 months. Around the Korner assumed administrative responsibility for the operation of the Van Nuys Civic Child Development Center (Center) in October 2009, providing full-day child development services to employees of the County and City of Los Angeles, the Superior Court, and the community.

IT IS RECOMMENDED THAT YOUR BOARD:

- Delegate authority to the CEO to extend for a one year period, the contract with Around the Korner to operate the Center.

PURPOSE/JUSTIFICATION

On September 22, 2009, your Board entered into a sole source contract with Around the Korner to operate the Center for a one year period. The intent was for the CEO to launch a Request for Proposal (RFP) process in early 2010 and establish a multi-year contract with the successful bidder. However, in the eight months that Around the Korner has been operating the Center, a number of significant improvements have been realized, including fee reductions for families and the validation of high program quality. Given these changes and the high level of parent satisfaction, the CEO is recommending that the current contract be extended for a period of one year.

"To Enrich Lives Through Effective And Caring Service"

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Implementation of Strategic Plan Goals

Adoption of this recommendation is consistent with Goal 2 of the Countywide Strategic Plan to enrich the lives of children and families through the provision of cost-effective and client-centered services. Around the Korner is providing high quality child development services at rates that are substantially less than the Countywide average for center-based child development services.

FISCAL IMPLACT/FINANCING

The Center, which was developed by the Third District, was made available to Around the Korner on a rent-free basis in October 2009. Utility, janitorial, and facility maintenance costs are covered by sponsoring entities under a Memorandum of Understanding that is in effect through June 30, 2014. Combined, these contributions are under \$70,000 per year. Sponsoring entities include the County Departments of Children and Family Services, District Attorney, Probation, Public Defender, Public Social Services, the City of Los Angeles, and the Superior Court of California.

Staffing and programmatic costs of the Center are supported by parent fees, which are collected and managed by Around the Korner.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

This Center began serving children in January 2006. In June 2009, the CEO was informed that the original operator would not be renewing their contract and that they would cease operating the program on August 31, 2009. An abbreviated search for an alternative operator was conducted with the intent of avoiding a break in service to participating families. Around the Korner was identified in that search and your Board entered into a one-year sole source agreement with Around the Korner on September 22, 2009.

CONTRACTING PROCESS

As noted above, the CEO had less than four months to identify an alternative operator, complete a contract with that organization, and ensure the transition of the facility license to the new operator. In addition, the CEO's Office of Child Care sought to identify a child development program operator, who would maintain high-quality child development services and continue to serve County employees in the Van Nuys area.

Six operators with experience providing employee child development services and/or a presence in the San Fernando Valley were contacted. Most of the programs indicated that they could not entertain expansion at that time, or that they were interested in expanding fully subsidized child care services. Because subsidized child care services have income eligibility requirements, only a limited number of County employees would be eligible for these services.

Ms. Cyndee Riding, founder and director of Around the Korner, expressed interest in administering the Center and in maintaining the emphasis on employees. Interviews with Ms. Riding and research on her organization revealed that Around the Korner is a non-profit entity that has been providing child development services to families in the San Fernando Valley for 15 years. Around the Korner has a history of substantial compliance with Community Care Licensing Division; operates three other child development centers, all of which are accredited by the National Association for the Education of Young Children; administers two subsidized child care contracts with the California Department of Education (CDE), totaling over \$1.6 million per year; and administers four Los Angeles Universal Preschool (LAUP) classrooms, which have earned the top quality rating.

Ms. Riding was invited to submit a proposal to operate the Center. That proposal was incorporated into the sole source contract with Around the Korner, which was adopted by your Board on September 22, 2009. Around the Korner assumed management of the Center on October 1, 2009. We were fortunate that the original operator agreed to extend their contract for one month to ensure continuity of services to families and to allow Around the Korner sufficient time to complete the licensing and contract processes.

The current contract with Around the Korner is for a one-year period with the option to extend for one six-month period. It was the CEO's intent to launch a RFP for the ongoing operation of the Center in early 2010. However, Around the Korner has successfully implemented a number of improvements including:

- Parent fees for all age groups have been **reduced** by over \$200 per month;
- The LAUP component has been expanded from 15 to 24 children, further reducing fees for four-year olds in the program;
- The LAUP classes have been awarded a five-star rating, up from the previous four-star rating;
- The Center now participates in the Child Care Food Program and prepares hot meals at no cost to income eligible children and low-cost to all others;
- Around the Korner has secured new CDE subsidy funds and is able to direct some of these funds to assist income eligible families at the Center; and
- Operating costs have been reduced as Around the Korner has negotiated more favorable rates for janitorial and maintenance services.

Not surprisingly, enrollment has increased significantly and the Center is now operating at 100 percent of capacity, up from 62 percent under the previous operator. While the transition between operators was accomplished without a break in service, it did create a significant amount of anxiety among participating families. Ms. Riding and her staff conducted themselves

with the utmost professionalism throughout the transition and they have succeeded in establishing positive relationships with the children and families. It is the CEO's intent to support the improvements implemented by Around the Korner and to reinforce the sense of stability for the children and families enrolled in the program. As a result, the CEO is recommending that the contract with Around the Korner be extended for one year and that a Request for Interest or similar process be delayed until 2011. The possibility of a new operator with new staff, new policies, and new fees has the potential to raise the anxiety of participating families and undermine the progress that Around the Korner has made during the past eight months.

IMPACT ON CURRENT SERVICES

Over the past eight months, the Center has evolved from an under enrolled program whose financial viability was in question to a fully enrolled program serving employees of the County, Los Angeles City, and the Superior Court, as well as community families, including those receiving County services. As promised, Around the Korner reduced fees for all age groups, expanded the Los Angeles Universal Preschool program and initiated a hot meal program. As a participant in the Child Care Food Program, fees for these nutritious meals are based on family income, ranging from free up to \$100 per month.

CONCLUSION

With your Board's support, our Office will work with Around the Korner to implement a contract extension through September 30, 2011.

Sincerely,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:KH
LB:KMS:hn

Attachment

c: Executive Office, Board of Supervisors
County Counsel
Around the Korner

AMENDMENT NUMBER ONE
TO CONTRACT BY AND BETWEEN
COUNTY OF LOS ANGELES
AND
AROUND THE KORNER
FOR
VAN NUYS CIVIC CHILD DEVELOPMENT CENTER

This Amendment Number One ("Amendment") to Contract Number 77079 ("Contract") is entered in to this _____ day of _____, 2010, by and between the County of Los Angeles ("COUNTY") and Around the Korner, Center for School Age Enrichment, a California Public Benefit Corporation ("CONTRACTOR").

RECITALS

WHEREAS, on September 22, 2009, COUNTY entered into a one-year sole source contract, for the operation of the Van Nuys Civic Child Development Center, with CONTRACTOR, a non-profit, State licensed, Nationally Accredited Child Care Corporation that specializes in the operation of child development centers; and

WHEREAS, it is the intent of the parties to acknowledge the CONTRACTOR'S business name change for this location; and

WHEREAS, COUNTY and CONTRACTOR mutually desire to extend the Contract for an additional one-year term through September 30, 2011; and

WHEREAS, pursuant to SECTION 8.0 STANDARD TERMS AND CONDITIONS, Subsection 8.6 COMPLIANCE WITH APPLICABLE LAWS, COUNTY and CONTRACTOR wish to add additional required terms to the Contract.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the parties agree that the Contract shall be amended as follows:

1. **SECTION 4.0 TERM OF CONTRACT, Subsection 4.1 is hereby deleted in its entirety and replaced by:**

"4.1 The term of this Contract shall be from September 22, 2009 through **September 30, 2011**, unless sooner terminated or extended, in whole or in part, as provided in this Contract."

2. **SECTION 8.0 STANDARD TERMS AND CONDITIONS, is hereby amended to add the following Subsections:**

"8.51 CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

1. CONTRACTOR acknowledges that COUNTY has established a goal of ensuring that all individuals and businesses that benefit financially from COUNTY through contract are currently in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon COUNTY and its taxpayers.

2. Unless CONTRACTOR qualifies for an exemption or exclusion, CONTRACTOR warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this contract will maintain compliance, with Los Angeles County Code Chapter 2.206.

8.52 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

Failure of CONTRACTOR to maintain compliance with the requirements set forth in Subsection 8.51 **CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM**, shall constitute default under this contract. Without limiting the rights and remedies available to COUNTY under any other provision of the contract, failure of CONTRACTOR to cure such default within 10 days of notice shall be grounds upon which COUNTY may terminate this contract and/or pursue debarment of CONTRACTOR, pursuant to County Code Chapter 2.206."

3. **SECTION 8.0 STANDARD TERMS AND CONDITIONS, Subsection 8.51 CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULT PROPERTY TAX REDUCTION PROGRAM is hereby added to the Table of Contents.**
4. **SECTION 8.0 STANDARD TERMS AND CONDITIONS, Subsection 8.52 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM is hereby added to the Table of Contents.**
5. **Exhibit C, COUNTY'S ADMINISTRATION, is hereby deleted in its entirety and replaced in its entirety by Exhibit C1, COUNTY'S ADMINISTRATION attached hereto and incorporated herein by reference.**
6. **Exhibit A, STATEMENT OF WORK, Form IV is hereby amended to allow for an annual Tuition fee increase not to exceed three percent (3%) of**

Year One Tuition by Age Group upon approval of the Center Advisory Committee, effective after the first year of the contract.

All other terms and conditions of the Agreement remain in full force and effect.

IN WITNESS WHEREOF, the CONTRACTOR has executed Amendment No.1, to CONTRACT No. 77079, and the County of Los Angeles, by its Chief Executive Officer has caused this Amendment No. 1 to be executed on behalf of the Board of Supervisors.

COUNTY OF LOS ANGELES

By _____
WILLIAM T FUJIOKA
Chief Executive Officer

Date _____

APPROVED AS TO FORM:
BY COUNTY COUNSEL

ANDREA SHERIDAN ORDIN

By 
DAVID BEAUDET
Senior Deputy County Counsel

CONTRACTOR:
AROUND THE KORNER, CENTER FOR
SCHOOL-AGE ENRICHMENT

By 
CYNTHIA RIDING, Director

95-463-0336
Taxpayer Identification No.

COUNTY'S ADMINISTRATION

COUNTY PROJECT DIRECTOR

Name: Lesley Blacher

Title: Acting Senior Manager

Address: 222 South Hill Street, Fifth Floor
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COUNTY PROJECT MANAGER

Name: Kathy Malaske-Samu

Title: Program Specialist

Address: 222 S. Hill Street, Fifth Floor
Los Angeles, CA 90012

Telephone: 213-974-2440

E-Mail: kmalaske@ceo.lacounty.gov

COUNTY PROJECT MONITOR

Name: Kathy Malaske-Samu

Title: Program Specialist

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